

DSA/OPSC Program Review Expert Workgroup Meeting Minutes

November 18, 2010, 2:00 p.m. – 5:00 p.m.
Ziggurat, 8th Floor Executive Board Room

In attendance:

Expert Workgroup Members

Stephen Amos, DGS (Chair)
Kathleen Moore, CDE (Vice Chair)
Lindle Hatton, CSUS (Facilitator)
Chip Smith, DGS
Juan Mireles, OPSC
Bill Savidge, West Contra Costa USD (Also Design Sub-Group Chair)
Dick Cowan, Davis Reed Construction
Laura Knauss, Lionakis (Also Plan Review Sub-group Chair)
Jenny Hannah, Kern COE
Jason Bryant
Fred Yeager

Additional Attendees

David Zian, OPSC
Lisa Constancio, CDE
Lisa Kaplan, SAB
Shanna Everts, SAB
Yvonne Newton, DGS (Notetaker)

Welcome

- The Facilitator welcomed those in attendance and all present introduced themselves.

Outreach Update - deferred

Status Updates on Progress of Short-Term Issues

- DSA Report
 - Table 1 – Lack of Communication:
 1. CDE, DSA, and OPSC will devise a single project tracking number (PTN) to use for each project.
 - Proposed Action: CDE, DSA, and OPSC are collaborating on an MOU to outline joint efforts in implementing the suggested solution.
 - Consideration: use of a single number would require a change in the existing process, which currently allows an application number to include construction on more than one school site.
 - Comments:
 - A sub-group may be needed to work specifically on this issue.
 - What is the purpose of the tracking number, or what is being tracked? (design, contract, funding source, etc).
 - All stakeholders need to be included in the discussion.
 2. Permit a DSA exception form at intake for over-the-counter approvals.
 - Explanation: There is a lack of understanding of the area of exemptions and requirements for projects requiring DSA review and approval. School and community college districts cannot get assurances from DSA that any given project is exempt from review.

- Proposed Action: DSA proposes to (1) develop comprehensive guidance regarding exemptions to DSA reviews in a single document for school and community college districts, and (2) design a process for written documentation from DSA to a client district regarding exemptions for specific projects.
- Consideration: Certain exemptions from DSA review and approval require consultation by design professionals, others do not. Any process developed by DSA to address the exemptions should consider the additional cost impacts on school and community college districts.
- Comments: This is a good proposal to implement, but it may not address the issue the group had in mind: an exception form that could be filled out and signed at intake for over-the-counter approvals that would prevent the plans from sitting in bin time for disciplines exempt from review and approval for the project.
- 3. Create a streamlined process through the collaboration of CDE, DSA, and OPSC.*
- 4. Initiate an MOU or interagency agreement among CDE, DSA, and OPSC.*
- 5. Create a one-stop shop with a customer service orientation.*
- 6. Create an ombudsman for guidance and project assistance.*
 - *Proposed Action for Numbers 3, 4, 5, and 6: CDE, DSA, and OPSC are collaborating on an MOU.
 - Considerations: to be discussed when the MOU is presented later in this meeting.
 - Comments: deferred to the MOU presentation and discussion.
- Table 2 – New Projects Held Up due to DSA Project Close-out Issues:
 1. Create contractual language regarding responsibilities of project team members to provide close-out certification documents.
 - Consideration: some school and community college districts may have augmented traditional contracts with additional requirements for design professionals and other parties to increase the rate of compliance with DSA documentation requirements for certification.
 - Consideration: How would school and community college districts share the information regarding workable contract provisions? What is the best venue for soliciting and sharing this information?
 - Comments: For relocations, the building needs to be “disconnected” from the site for certification purposes.
 2. Eliminate in-plant inspection report requirement for portable projects.
 - Explanation: There is a lack of clarity and consistency in the area of minimum requirements for documentation and/or alternative documentation allowed for portable projects. Portable projects include original construction of the portable building, initial placement of the building and any number of subsequent placements/relocations.
 - Proposed Action: The in-plant inspection report is needed to certify the original project for construction of the portable building. Subsequent relocation of the portable should not require the in-plant inspection report as long as the portable was constructed from a valid approved DSA

application and the original in-plant verified report and/or DSA certification letter is available.

- Consideration: A definition of “portable” must be outlined to provide for this streamlined documentation process. Enhanced tracking of original portable projects and the documents approving the construction is needed to maintain the certification of the portable throughout its use, regardless of placement. DSA will reach out to portable manufacturers to identify potential solutions and vet proposals through the EWG.
 - Comments: DSA needs to be the record keeper of portable serial numbers and certifications.
3. Allow design professionals, project inspectors, or DSA field engineers to field verify adequacy of construction for projects closed without certification.
- Explanation: The DSA Project Certification Guide provides a basis for addressing certification issues for projects where original entities are no longer available to provide necessary documentation for certification. The process is not fully developed and has not been utilized. There are no considerations for procedures that will give districts assurances of achieving certification at any given cost.
 - Proposed Action: To develop the process, DSA could examine re-opened projects with construction verification issues. In a collaborative effort, DSA and its client may identify alternative parties to fulfill any required functions of one or more of the following: design professional, project inspector, DSA field staff. This can then serve as a procedure for other projects to follow in an effort to achieve certification.
4. Streamline documents for new portable buildings.
- Explanation: CA Code of Regulations, Title 24, part 1 contains documentation requirements that are the same for all types of projects. DSA recognizes the need to customize the requirements for certain types of projects, such as portables. A simplified, verified report could be used to address all documentation requirements for certification. For example, a single project inspector verified report can serve as verification that various testing, such as concrete tests and ground rod tests, was completed with no identified problems.
 - Proposed Action: DSA will propose regulatory amendments to address the issue.
 - Consideration: A definition of “portable” must be outlined to provide for this streamlined documentation process.
5. Eliminate inspection documents that are DSA specific.
- Proposed Action: DSA has begun a review of the documents to consider for elimination. Documents may be eliminated if the use of existing documents from the key responsible parties can be enhanced. DSA will test the proposals against pending close-outs/projects re-opened for certification. DSA will promulgate regulatory amendments for any changes to certification –related documents.

6. Provide that projects where the scope is limited to resolving health and safety issues shall not be held up due to lack of certification on a previous project.
 - Consideration: Defining health and safety could be difficult; however, school and community college districts do have urgent facility needs that may be hindered by uncertified construction.
 - Consideration: Regulatory amendments are needed to provide the foundation for linking previously uncertified projects to new projects. Does the EWG want to form a workgroup to (1) focus on in-depth discussions on this solution to address the problem in more detail, and (2) provide feedback to DSA on proposed regulatory and process changes?
 - Comments: A step is needed at the beginning of design to determine if the new project is at an uncertified facility.
 7. Allow design professionals, project inspectors, or DSA field engineers to certify adequacy of construction.
 - Proposed Action: Legislative changes are required to implement this proposal. Education Code 17315 vests the certification function with DGS.
 - Consideration: Should the EWG reach out to design professionals' groups to develop a workable self-certification proposal to be considered for potential legislation? Should the proposal be set for future consideration only if other certification improvement measures prove to be ineffective?
 - Comments: Allow the field inspector to do final inspection on-site.
- OPSC Report
 - Table 1 – Lack of Communication
 1. CDE, DSA, and OPSC to define the scope of work, deliverables, and roles and responsibilities of each agency in the services of administering the Greene Act.
 - Proposed Action: CDE, DSA, and OPSC have drafted an MOU that also endorses the commitment and next steps toward improving communication and collaboration on issues that have joint impact for all three agencies. As part of the MOU, the agencies have agreed to hold regularly scheduled meetings to share ideas and resolve issues that may pose a challenge to school construction, as well as regular reports to the SAB and senior management within each agency.
 2. CDE, DSA and OPSC to use a single project tracking number.
 - Proposed Action: (Proposed action was covered in the DSA report.) The OPSC, CDE, and DSA will work together to develop a common PTN for use by all agencies and districts.
 - Consideration: OPSC needs to identify projects in terms of the funding source.
 - Comments: All stakeholders need to be included in discussions to determine the nature of the single project tracking number.

3. The State Agencies have committed to a large outreach effort to provide customer training.
 - Proposed Actions: In order to reach the largest possible audience, the training will be delivered in multiple formats, including workshops around the State, webinars and webcasts. The focus of the training will be on “First Time Through” for complete and efficient application processing. The first training is tentatively scheduled for January 2011 and will focus on how to submit a complete application to the OPSC. Further trainings are in the planning stages with collaboration between the three agencies.
 - “Internal notes” that provide regulation interpretations and are used by OPSC employees to evaluate applications could be “cleaned up” for public consumption and made available to school districts as an aid to filling out the applications.
 - It would be consistent to structure the OPSC training like the DSA Academy.
 4. Create a streamlined process through the collaboration of CDE, DSA, and OPSC.*
 5. Create a one-stop shop with a customer service orientation.*
 6. Create an ombudsman for guidance and project assistance.*
 - *Proposed Action for Numbers 4, 5 and 6: CDE, DSA, and OPSC are collaborating on further defining the policy and procedures, including legislative processes, needed to implement these suggested solutions.
- Table 3 – Concerns Regarding Funding Adequacy
1. OPSC recognizes that grant adequacy within the SFP is a critical topic. This is an issue that requires high level discussions in order for progress to be made.
 - Proposed Actions: OPSC is planning two panel discussions over the next 60 days:
 - The first panel will include a broad discussion on future financing for K-12 school facilities, “California K-12 School Construction at a Crossroads – Viability of Future School Facility Bonds: a Dialogue,” facilitated by Bill Leonard, Secretary, State and Consumer Services Agency.
 - The second panel discussion will focus on identifying key policy issues for further discussion with the EWG. “California K-12 School Construction at a Crossroads – School Facilities Funding Model.” Key policy issues may include, but are not limited to the following:
 - ✓ What is the future of State funding for school facilities? General Obligation Bonds? New financing model?
 - ✓ What type of schools is the State willing to pay for?
 - ✓ Re-evaluating the current per-pupil funding model.
 - ✓ Consideration of other funding models.
 - Comments:
 - We need a new structure. The old way of funding is collapsing.

- The EWG needs to act now and continue the effort with the current administration.
- Invite (CDE lead?) participants from other states with working state models to share their knowledge.
- Policy people need to make decisions of what the policy is and what it pertains to, then discuss funding options.
- Explore concept used by BPM of raising replacement dollars from building operating costs.
- It's time to talk with policy makers regarding public/private partnerships for funding of schools.
- It's time to consider local tax base and local bonds as way to fund school construction.
- The primary reason for funding school construction is to have the right kind of schools. How does the design of the building affect academic quality?
- Policy-making: What will be mandated by the State, what will be under local jurisdiction? How do we balance local control with State control?

- MOU

- Participants:
 - DGS (OPSC and DSA) and CDE in the review of projects in the Leroy F. Greene School Facility Program (SFP).
- Term:
 - November 18, 2010 through June 30, 2011, to be reviewed annually by both parties following joint discussions with representatives of the State Allocation Board (SAB), SAB Implementation Committee and the Expert Work Group.
- Background:
 - Education Code Section 17070.50 of the SFP requires a project to have CDE approval prior to the funding application being considered by the SAB.
 - The CDE is appropriated directly via the budget act (Section 6110-001-6507) from bond proceeds. The CDE will report directly to the SAB on this appropriation.
- Project description, roles and responsibilities, timeframes:
 - With a goal of providing better communication and collaboration among the agencies, DGS and CDE are committed to meeting on a monthly basis. These meetings will allow both agencies to better work together on issues that directly affect the Local Educational Agencies which are served.
- Part A details functions associated with the processing and approval of applications under the SFP.
- Part B identifies school design and construction process improvements that can potentially be implemented, and possible proposed solutions.
- Comments, Questions and Responses:
 - Comment: CDE role is well delineated in Part A, but DSA and OPSC roles are not.

- Response: Largely the MOU speaks to the interface among CDE, OPSC and DSA.
- Question: Why did we want an MOU?
 - The MOU was initiated by the stakeholders to create a “one-agency” approach to the design/construction process of schools.
- Comment: Part B alone allows more flexibility to make amendments as needed.

Conclusion

- Sub-Group Teams:
 - “Portable Buildings Documentation”
 - Chair: James Sohn
 - Members to date: Craig Rush, DSA
 - “Eliminate Inspection Documents – DSA”
 - Chair: Howard “Chip” Smith
 - “Fast Track Limited Scope Projects – DSA”
 - Chair: Howard “Chip” Smith
 - “Adequacy of Construction Certification”
 - Co-Chairs: Scott Gaudineer, Laura Knauss
 - “Repository of Project Records”
 - Chair: Tom Duffy
 - “Cost of Building Schools Methodology”
 - Co-Chairs: James Sohn, Bill Savidge
 - “Class B Construction Cost Index”
 - Chair: Howard “Chip” Smith
 - “Off-site Funding Mitigations”
 - Chair: Jenny Hannah
 - “Lease Purchase Program for the SFP”
 - Co-Chairs: Lisa Silverman, Bill Savidge, Dick Cowan
 - Members to date: two EWG members - TBD
 - “School Infrastructure Funding Model”
 - Co-Chairs: Lisa Silverman, Bill Savidge, Dick Cowan
 - Members to date: two EWG members - TBD
 - “Cost Containment, Best Value, Life Cycle Measures”
 - Co Chairs: Lisa Silverman, Bill Savidge, Dick Cowan
 - Members to date: two EWG members - TBD
- Sub-Group Templates
 - Copies of all sub-group templates were distributed to all members present.
 - Chairpersons may invite any subject matter experts they feel would add benefit to the effort to join their sub-group.
- Next Steps
 - **ACTION ITEM: Lindle Hatton** will check the MOU against meeting notes to assure all desired components have been included.

- **ACTION ITEM: Wendy O'Donnell** will email an electronic copy of the DRAFT MOU to all EWG members by COB November 19.
 - **ACTION ITEM: All EWG members** will review the DRAFT MOU and submit their comments to Wendy by COB Wednesday, November 24.
 - **ACTION ITEM: All Sub-Group Chairs and members** will convene with their respective teams, complete their assignment, and submit the completed sub-group template to Wendy by COB Tuesday, December 7.
- Upcoming EWG Meeting Schedule:
 - Thursday, December 9, 2010, 2:00 p.m.–5:00 p.m., Ziggurat, 8th Floor Board Room
 - Thursday, January 13, 2011, 2:00 p.m.–5:00 p.m., Ziggurat, 8th Floor Board Room